



NORTH CAROLINA

State Board of Elections & Ethics Enforcement

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July 16, 2018

To: Members of the Election Assistance Commission

From: Kimberly Westbrook Strach, Executive Director

Re: 2018 HAVA Security Grant Budget Narrative

North Carolina has been working to address the most recent election security concerns and vulnerabilities since we first learned of them in late 2016. We have been pleased with our relationship with the Department of Homeland Security and the services they continue to provide to North Carolina. The funding provided to North Carolina in the Omnibus Appropriations Act of 2018 could not have come at a better time. We have been carefully considering how to most efficiently and effectively use the election security funding to complement existing efforts to safeguard elections. Our budget for federal and non-federal security grant dollars is below.

ELECTION MANAGEMENT SYSTEM & EQUIPMENT- \$6,232,965

- **Modernizing our Statewide Elections Information Management System.** This system includes the statewide voter registration system, election event management (absentee voting, early voting, Election Day voting, provisional voting), voting site management, board administration and election night reporting. This system is utilized by all 100 of our county boards of elections. The current system is more than a decade old and is decentralized, requiring hardware and infrastructure maintenance in all 100 counties. For this modernization project we have budgeted \$5,340,338 in federal grant funds and \$159,662 in state matching funds.
- Understanding that our new Statewide Elections Information Management System will not go live until late 2019, we must do everything possible to bolster the security of our

current system and reinforce the hardware and infrastructure in our 100 counties for the upcoming elections. We have budgeted \$532,965 in federal grant funds and \$200,000 in matching state funds to upgrade our infrastructure and software, upgrade our load testing, and improve our backup systems.

ELECTION AUDITING - \$1,073,835

- Over the past two election cycles we have developed a post-election audit program to identify any discrepancies that could affect an election. As a result of the new known security concerns, we are expanding and enhancing this audit program. We are in the process of hiring two full-time senior business analysts to work on election security and integrity audit initiatives. The five-year budget, from federal grants, is \$1,073,835.

CYBER SECURITY - \$3,585,099

- We have learned over the past year the essential need for cybersecurity expertise. This expertise is foundational for improving decision-making that impacts election technology. A Chief Information Security Officer (CISO) will facilitate continual monitoring of our systems for vulnerabilities and provide technical guidance to the 100 county boards of elections. Five-year budget, from federal grant funds, is \$1,018,067.
- County boards of elections are undergoing security assessments. We will provide sub grants to county elections boards to address identified security needs. Training is an essential component to any election. Thousands of election workers are trained for each election in North Carolina. Our goal is to expand the content of our programs to include training on detecting, preventing and responding to cyber- attacks. Five-year budget for county cybersecurity improvements, from federal grant funds, is \$1,500,000.

CYBERSECURITY, continued

- We are also implementing a Cyber Advisory Panel, made up of nationally-recognized security experts, to provide us with ongoing guidance in addressing security threats and staying current with best practices. Five-year budget, from federal grant funds, is \$750,000.
- We will implement security recommendations provided by federal, state and NGO partners. This is budgeted to use \$222,032 of federal grant funds and \$64,000 of state matching funds.

2018 HAVA ELECTION SECURITY GRANT

Budget Information

CFDA # 90.404

Non-Construction Program

Name of Organization:

NC State Board of Elections & Ethics Enforcement

Budget Period Start:

3/23/2018

SECTION A - BUDGET SUMMARY

(Consolidated Budget for total project term--
up to 5 years as defined by grantee)

Budget Period End:

3/22/2023

FEDERAL & NON-FEDERAL FUNDS (Match)

PROGRAM CATEGORIES

BUDGET CATEGORIES	(a) Voting Equipment	(b) Election Auditing	(c) Voter Registration Systems	(d) Cyber Security	(e) Communications	(f) Other	(g) Other	TOTALS	% Fed Total
1. PERSONNEL (including fringe)		\$ 1,073,835.00		\$ 1,018,067.00				\$ 2,091,902.00	20%
2. EQUIPMENT				\$ 532,965.00				\$ 532,965.00	5%
3. SUBGRANTS- to local voting jurisdictions				\$ 1,500,000.00				\$ 1,500,000.00	14%
4. TRAINING				\$ -				\$ -	0%
5. ALL OTHER COSTS			\$ 5,340,338.00	\$ 908,032.00				\$ 6,248,370.00	60%
6. TOTAL DIRECT COSTS (1-6)	\$ -	\$ 1,073,835.00	\$ 5,340,338.00	\$ 3,959,064.00	\$ -	\$ -	\$ -	\$ 10,373,237.00	
7. INDIRECT COSTS (if applied)								\$ -	0%
8. Total Federal Budget	\$ -	\$ 1,073,835.00	\$ 5,340,338.00	\$ 3,959,064.00	\$ -	\$ -	\$ -	\$ 10,373,237.00	
11. Non-Federal Match			\$ 159,662.00	\$ 359,000.00		\$ -		\$ 518,662.00	
12. Total Program Budget	\$ -	\$ 1,073,835.00	\$ 5,500,000.00	\$ 4,318,064.00	\$ -	\$ -	\$ -	\$ 10,891,899.00	
13. Percentage By Category	0%	10%	51%	38%	0%	0%	0%		

Proposed State Match

5.0%

A. Do you have an Indirect Cost Rate Agreement approved by the Federal government or some other non-federal entity?

No

If yes, please provide the following information:

B. Period Covered by the Indirect Cost Rate Agreement (mm/dd/yyyy-mm/dd/yyyy):

C. Approving Federal agency:

D. If other than Federal agency, please specify:

E. The Indirect Cost Rate is: